

The Celtic tiger hits bad times

by Debra_J_Saunders

DUBLIN, IRELAND "The bold encroachers on the deep

Gain'd by degrees huge tracts of land,

Till Neptune, with one gen'ral sweep

Turns all again to barren strand."

"This poem" ("The Run Upon the Bankers") "was printed some years ago, and it should seem, by the late failure of two bankers, to be somewhat prophetic," wrote Jonathan Swift in 1720.

The poem is somewhat prophetic again. The Celtic tiger the Irish economy that boomed in the 1990s no longer roars. It whimpers. The great engine of high employment for good jobs has fallen. The Press Association reports that unemployment applications in January were 80 percent higher than a year before. The unemployment rate in Ireland is 9.2 percent and expected to climb, perhaps as high as 15 percent. A real estate market that, according to Bloomberg, quadrupled from 1997 to 2007, is crashing.

Who will meet the mortgages for all the country's new tract homes? Neptune? Of course, there's a banking scandal. The government pumped 7 billion euros (U.S.\$8.79 billion) into the country's two largest banks this month. One of the banks had engaged in sleight-of-hand loans to disguise its sorry finances last year. There have been sweetheart loans made to well-connected richies.

As in the United States, Ireland's politicians don't emerge smelling like roses. Irish Finance Minister Brian Lenihan was forced to admit that he did not read the entire report he had commissioned to examine the banks' situation before pushing for taxpayer-funded relief for them. Approval ratings for Prime Minister Brian Cowen's Fianna Fail Party have fallen to a historically low level of 22 percent, according to the Press Association.

The once-respected job of banker has the taint of shame. On the flight across the pond, I heard two business travelers introducing themselves. One man offered that he worked for a well-known U.K. bank, one only marginally discredited in the news. It didn't used to be a bad thing to mention his bank, he sighed.

In Dublin, I met a man who works with banks. How do you feel about them? I ask. "I don't trust them at all," he blurted. But then, he added, Ireland has its solid banks, the ones that didn't throw around money as if they couldn't lose.

This being Ireland, there are plenty of folk who look at the bankers and the Taoiseach (say tee-shack) "that's Irish for the prime minister of the Irish Republic" and the Dail (say doil) "Irish for the lower house of the parliament of the Irish Republic" and pronounce all bankers and politicians to be crooks and thieves. You hear that in San Francisco and New York and Boston, too.

Corruption certainly has a hand in this cookie jar. But also, the picture that emerges is all too universal in the modern world. When economic growth meant good living for middle-class families, the rewards came from riding the tiger. All the smart people were on board, so it seemed sour to speak against the good times.

When the bubble burst "as bubbles always do" then the good times are called bad names. Like "Greed." Sadly, it is the new homeowners and young parents working to carve out a good life for their families who will forfeit most dearly because these bank failures are huge. The Irish Independent reported the cost of this bailout could reach 138,000 euros (U.S.\$173,301) for every man, woman and child. That's like an extra mortgage.

Old and young wonder if the end of boom times will allow Ireland to shed some of its newly acquired excesses "and bring back a slower, sweeter life. They hope fewer toys can mean more quality time.

"We survived the famine," an Irishman-turned-Californian told me before I came here, but we're not sure we will "survive the feast."

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